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WG III M-2

January 4, 1956

EDAC Working Group III, Economic Defense Policy and Planning

MINUTES

2:30 p.m., Wednesday, December 28, 1955
Room 521 SA-7

Attendance:

State

Mr. Tuckerman, Chairman
Mr. Doherty, DFI

Treasury

Mr. Blaser

ODM

Mr. Winant

Defense

Mrs. Lee

CIA

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MDAC

Mr. Levin
Mr. S. Tucker

ICA

Mr. Slaght

Mrs. Lese, MDAC, Committee Secretary

Agenda

1. Working Group assignment concerning emergency action steps -- economic warfare.
2. Problem of coordination and implementation of U.S. policy concerning Soviet economic penetration of under-developed countries.

1. Working Group assignment concerning emergency action steps -- economic warfare.

Decision

It was agreed that nothing further could be accomplished until the Working Group had a statement of the assumptions and the members had time to study them. Mr. Levin said that if ODM had done a critique of "Operation Alert" insofar as economic warfare was involved, this should be of usefulness to this group. Mr. Winant said he thought this had been done, and would check

SECRET

-2-

into this matter. He said that he would ask Mr. John Morgan to attend the next meeting as he felt sure that Mr. Morgan would be equipped to supply the information the Working Group requested. It was agreed that this matter would be discussed further at the next meeting scheduled for Wednesday, January 4, at 2:30 p.m. in Room 3025, New State.

Discussion

The Chairman said that Mr. Goodkind had asked ODM to participate in this problem which is before the Working Group and Mr. Winant had agreed to attend. Mr. Tuckerman distributed copies of 4 emergency action steps on which State has been working. The papers concerned the U.S. action to be taken with respect to:

- (1) Suspension of International Convention for the Safety of Life at Sea, 1948
- (2) International (i.e., COCOM) control over exports
- (3) Notification that foreign aircraft will not be permitted under the Convention on International Civil Aviation to fly into or over the U.S.
- (4) U.S. participation in the International Sugar Council and International Wheat Agreement.

The Chairman stated that item (1) has now been considered not a step that need be taken in the first 48 to 72 hours after a state of war has been declared. Item (2) has been judged as one which would go out immediately at the beginning of an attack. (He said that with respect to this EXCON communication State has been asked to redraft it so that a person with no knowledge of EXCON terminology would be able to transmit the message with complete understanding.) The paper on item (3) has been judged as one which would be sent out immediately. Item (4) has been considered as one which would not go out at once. The Chairman also circulated an ODM Directive which he said would have to be taken into consideration in working up the emergency action steps requested by Admiral DeLany.

Discussion was held on the matter of assumptions. Mr. Tuckerman advised the group that the only assumption he was given at the time of compiling the action steps in E of the State Department was that of thermonuclear attack on the U.S. and nothing was indicated as to the potential enemy. He asked if ODM has a settled range of assumptions and Mr. Winant replied that ODM would supply a framework of assumptions.

2. Problem of coordination and implementation of U.S. policy concerning Soviet economic penetration of under-developed countries.

Decision

The matter was put on the Agenda for next week.

SECRET

SECRET

-3-

Discussion

Mr. Tuckerman distributed copies of a memorandum on the Coordination and Implementation of U.S. Policy on Economic Penetration of Underdeveloped Areas by the Soviet Bloc, and asked the members to read it preparatory to discussion. He inquired if anyone was substantively opposed to the paper and suggested that if there was rough agreement in principle the members might take their copies with them and phone in any changes they might wish to make.

The question was raised whether part b) of the recommendation was within EDAC's frame of reference. Mr. Slaght felt that EDAC has the facilities to meet its assignment but said it depended on the attitudes of the agencies involved and, more specifically, on the Chairman of EDAC. Mr. Levin felt that the group should study the paper before agreeing to it in principle; he believed it could be made more affirmative and constructive. Mr. Siegel felt that the EDAC community could never do the full job on this problem and he suggested that within the U.S. Government some more formal structure for dealing with it should be set up, as it was broader than the EDAC competence. Mr. Doherty said that the U.S. reaction to Soviet penetration involved the totality of U.S. foreign policy and that the EDAC community's frame of reference was limited to only a portion of that totality. Mr. Levin said that the responsibilities of the economic defense community could not be considered limited to trade control and the main immediate problem was not to create a new place in which people could talk but rather to see that the necessary day-to-day work and continuing evaluation were done and gotten into the proper existing channels. [REDACTED] requested that no action be taken on the problem at this time as he wished to consult with his EDAC member before stating the CIA position. 25X1A9a

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